

OGC Has Reviewed

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MEMORANDUM FOR: Comptroller
General Counsel
Director of Personnel

SUBJECT: Salary Differential due Detailed Employees

1. PROBLEM: An employee on temporary assignment or temporary duty away from his post of assignment may be due a corresponding increase or reduction of salary differential. There appears no feasible manner by which this Agency can properly administer the controlling regulations prescribed by the Department of State.

2. FACTS BEARING ON THE PROBLEM

- a. Federal employees in foreign areas are paid salary differential while on detail in accordance with the Standardized Regulations (Government Civilians, Foreign Areas) promulgated by the Department of State on 6 June 1953 pursuant to authority contained in Section 443 of the Foreign Service Act of 1946, 22 USC 888, and Parts I and IV of Executive Order No. 10,000 of 16 September 1948. These regulations became effective with the bi-weekly pay period which began 7 June 1953.
- b. Individuals detailed for 60 or more days from post of assignment to a post of higher classification are entitled to the higher rate. Payments to employees so detailed must be supported by a personnel action, a travel order and the completed itinerary.
- c. Reduction or stoppage of differential paid employees is mandatory where the employee, while away from his post of assignment, makes a stopover of 14 or more days at a post of lower classification or an unclassified post.

3. DISCUSSION

- a. Proper administration of the Standardized Regulations governing increases in differential due employees detailed 60 or more days to a higher rate post appears possible by reason of the requirement of personnel documentation as a prerequisite to payment
- b. The requirement for reduction of differential is such that any temporary assignment or duty of an employee comprising 1/4 or more days at a post bearing a lower classification than his post of assignment automatically operates to reduce or discontinue differential for said period.
- c. In order to avoid overpayments of salary differential to employees assigned to differential posts and who perform travel to other posts it becomes necessary for the payrolling operation to have current knowledge of the details of each such trip taken by an employee.
- d. Due to this Agency's centralized payrolling procedures it appears patently impossible to prevent or even discover such overpayments for the following reasons:
 - (1) Area travel is ordinarily ordered and in many cases paid by the station involved, headquarters only knowledge thereof being derived from station accountings months later.
 - (2) Of the written travel authorizations on file in the Finance Division, a considerable percentage are canceled and no travel is performed thereunder. Finance Division does not receive adequate notification of such cancellations and cannot rely on these orders in adjusting salary differentials.

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- e. It furthermore appears inequitable to require personnel documentation and a 60 day stay at a hardship post before an employee earns differential when a 14 day stay at another post will deprive an employee of all or a portion of his differential.

4. CONCLUSIONS

- a. There is no method by which unnumerable overpayments of salary differential can be prevented if the Standardized Regulations are applied as written.
- b. Proper administration would be possible if the reduction of differential were required on the same basis as increases, i.e., 60 day stopover, personnel action, travel order, itinerary.
- c. This would enable headquarters to attain proper control of the differential payments through the presence of personnel actions in each such case and would preclude the inequities apparent under the prescribed regulations.

5. ACTION RECOMMENDED

- a. That this Agency not recognize the definition of detail contained in Section 115g (2) of the Standardized Regulations, but instead recognize the following definition of detail contained in Section 115g (1) of said regulations as governing both increases and reductions in salary differential payments to Agency employees.

"The temporary assignment or temporary duty of an employee away from his permanent station not classified for differential to a post or area which is so classified, or away from his permanent station which is classified for differential to a post or area classified at a higher rate, when the head of agency shall have determined by appropriate personnel documentation that the contemplated duration of the temporary assignment or temporary duty is for a substantial period of time estimated at not less than sixty calendar days, or that its actual duration was sixty calendar days or more."
- b. That the attached Tab A be issued as an Agency Notice prescribing an interim procedure which will assure some semblance of control over salary differential payments during the period of time necessary to obtain a permanent solution to the problem.